List of claims (replacing prior versions):

1.   (currently amended) A machine-based method comprising

receiving historical multi-dimensional data representing multiple variables,

transforming the variables into one or more predictive variables, including Bayesian

renormalized variables, ~~linearly transformed and non-linearly transformed variables and imputed~~

~~missing values for categorical or continuous variables,~~

the transforming of the variables into the Bayesian renormalized variables comprising

~~including~~ adjusting a response frequency associated with a variable by a Bayesian analysis based

on a priori response frequency associated with the variable, and

the adjusting of the response frequency associated with a variable comprising associating

the variable with a weight to regress the response frequency toward a mean response frequency,

~~pruning variables for which the data is sparse or missing,~~

~~adjusting a population of variables to represent main effects exhibited by the data and~~

~~significant interaction and non-linear effects exhibited by the data,~~ and

using the ~~population of~~ transformed variables ~~to generate~~ in generating a predictive

model for use in interacting with a commercial system.

2.   (currently amended) The method of claim 1 ~~in which~~ further comprising adjusting a ~~the~~

population of variables to represent interaction effects exhibited by the historical data, the

interaction effects including ~~includes~~ stages of main effect interactions, main effects with main

effect interactions and excluded variable interactions, and main effects with main effect

interactions and excluded variable interactions together with excluded variable combined

interactions.

3.   (original) The method of claim 1 in which the predictive model predicts behavior of a

current customer with respect to retention of a current service or product of a vendor.

4.   (original) The method of claim 1 in which the predictive model predicts behavior of a current customer with respect to risk of asserting claims, loan payment or prepayment to a vendor.

5.   (original) The method of claim 1 in which the predictive model predicts behavior of a current customer with respect to usage of a current service or product of a vendor.

6.   (previously presented) The method of claim 1 also including enabling a user to reconstruct a sequence of choices involved in the creation of the predictive model.

7.   (currently amended) The method of claim 1, further comprising enabling a user to interactively manage a sequence of steps for adjusting ~~the~~ a population of variables through a graphical user interface, the sequence of steps including at least two or more steps, and the graphical user interface including an activation portion, which upon activation, enables the user to revisit at least one of the steps.

8.   (previously presented) The method of claim 1 in which the predictive model predicts behavior of prospective or current customers of a vendor with respect to products or services offered by the vendor.

9.   (previously presented) The method of claim 1 in which the predictive model predicts behavior of a prospective or current customer with respect to purchase of a product or service of a vendor.

10.   (withdrawn) The method of claim 7 in which the predictive model predicts behavior of a current customer with respect to retention of a current service or product of a vendor.

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11. (withdrawn) The method of claim 7 in which the predictive model predicts behavior of a current customer with respect to risk of asserting claims, loan payment or prepayment to a vendor.

12. (withdrawn) The method of claim 7 in which the predictive model predicts behavior of a current customer with respect to usage of a current service or product of a vendor.

13. (previously presented) The method of claim 7 further comprising enabling the user to control staging of a sequence of model generation activities through the user interface.